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## FRAUD AS AN ELEMENT OF UNFAIR COMPETITION.

NO branch of the law has undergone a more interesting development within the past fifty years than that which deals with the subject of unfair competition.<sup>1</sup> "A court of equity," remarks Judge Townsend in a recent case,<sup>2</sup> "keeps pace with the rapid strides of the sharp competitors for the prize of public favor and insists that it shall be won only by fair trade."

The general principle upon which one trader is granted relief against the sale of another trader's goods in such a guise or with such distinguishing marks as to deceive the purchasing public into accepting them as the wares of the first trader, was long ago stated by Lord Langdale, M. R.:<sup>3</sup>

"I think that the principle on which both the courts of law and of equity proceed in granting relief and protection in cases of this sort is very well understood. A man is not to sell his own goods under the pretense that they are the goods of another man; he cannot be permitted to practice such a deception, nor to use the means which contribute to that end. He cannot therefore be allowed to use names, marks, letters or other indicia by which he may induce purchasers to believe that the goods which he is selling are the manufacture of another person."

In the recent famous "Camel Hair Belting" case, Lord Chancellor Halsbury has crystallized the law of unfair competition in the following terse summary:<sup>4</sup>

<sup>1</sup> The phrase "unfair competition" throughout this article is intended to mean any passing off of one man's goods for another's, whether by a deceptive use of another's trade-marks or by other means. See Bradford, J., in *Dennison Mfg. Co. v. Mfg. Co.* (C. C. 1899), 94 Fed. Rep. 651 at 659: "The law of trade-marks is but part of the law of unfair competition."

<sup>2</sup> *R. Heinisch's Sons Co. v. Boker* (C. C. 1898), 86 Fed. Rep. 765 at 768.

<sup>3</sup> *Perry v. Truefitt* (1842), 6 Beav. 66. Lord Langdale summed up the principle even more briefly in *Croft v. Day* (1843), 7 Beav. 84 at 88: "It has been very correctly said that the principle in these cases is this, — that no man has a right to sell his own goods as the goods of another." So *Turner, L. J.*, in *Burgess v. Burgess* (1853), 3 De G. M. & G. 896: "No man can have a right to represent his goods as the goods of another person."

<sup>4</sup> *Reddaway v. Banham*, [1896] A. C. 199 at 204.

"I believe the principle of law may be very plainly stated, and that is, nobody has any right to represent his goods as the goods of somebody else. How far the use of particular words, signs, or pictures does or does not come up to the proposition which I have enunciated in each particular case must always be a question of evidence; and the more simple the phraseology, the more like it is to a mere description of the article sold, the greater becomes the difficulty of proof; but if the proof establishes the fact, the legal consequence appears to follow."

This proposition that "nobody has any right to represent his goods as the goods of somebody else" has been adopted as the basis of all the recent decisions<sup>1</sup> in England dealing with the passing off of one trader's wares as those of another.

In the United States the basic principle of relief in this class of cases is similarly stated. In 1877 Justice Clifford, in delivering the opinion of the Supreme Court in the case of *McLean v. Fleming*,<sup>2</sup> summed up the law in the statement that "Equity gives relief in such a case upon the ground that one man is not allowed to offer his goods for sale, representing them to be the manufacture of another trader in the same commodity." And in a recent unfair competition case before the Supreme Court, *National Elgin Watch Company v. Illinois Watch Case Company*,<sup>3</sup> Chief Justice Fuller, in speaking for the court, says tersely: "The essence of the wrong consists in the sale of the goods of one manufacturer or vendor for those of another."

Taken by themselves, these various statements of the principle of relief against unfair competition would lead one to believe that the courts of last resort of both countries were in substantial accord. Yet a study of the application of that principle in specific cases reveals a striking difference. It appears that relief will not be given by the United States Supreme Court except in case of fraudulent intent on the part of the defendant; while in the English courts, as the law is to-day settled, it is immaterial whether the defendant's motive be fraudulent or innocent, once it is proven that the dress or the distinguishing marks of his wares deceive or are likely to deceive customers into purchasing his wares for and as the plaintiff's wares. To state accurately the principle of relief, as applied by the United States Supreme Court, it would seem that

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<sup>1</sup> For instance *Kekewich, J.*, in *Saxlehner v. Apollinaris Co.*, [1897] 1 Ch. 893 at 899.

<sup>2</sup> 96 U. S. 245 at 255.

<sup>3</sup> (1901) 179 U. S. 665 at 675.

Chief Justice Fuller's statement ought to read: "The essence of the wrong consists in the sale *with fraudulent intent* of the goods of one manufacturer or vendor for those of another." Whether or not this statement of the ground of relief is open to criticism is the object of inquiry in this article.

In order to clear the ground for discussion, it must be premised that courts distinguish between trade-marks proper, to which a trader may have an absolutely exclusive right in connection with a particular class of goods, and other distinguishing marks (words or symbols) to which a trader cannot acquire this exclusive right;<sup>1</sup> and this distinction is recognized, although it is frequently true of these last-mentioned marks that by long and exclusive use they acquire such an understood reference to the user's goods, that an unrestricted use of the same word or symbol by others in connection with similar goods inevitably leads to confusion and deception. In passing, it may be remarked that there seems to be a strong tendency to-day to admit that an exclusive right may be acquired in certain distinguishing devices which would have been held, some years ago, to be non-exclusive marks and open to all the world. The decisions upholding the plaintiff's exclusive right to a certain shape of bottle,<sup>2</sup> for example, seem to overthrow the old decisions that no exclusive right can be acquired in the mere shape or form of a package.<sup>3</sup> With less certainty, it may also be said, that in certain cases the courts to-day recognize an exclusive right to a color in connection with particular goods<sup>4</sup>—a view clearly at variance with the earlier authorities.<sup>5</sup> But even though the class of marks be broadening which are recognized as capable of exclusive appropriation, and as constituting what are variously termed "trade-marks" or "technical trade-marks" or

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<sup>1</sup> For an elaborate discussion of this distinction, and the authorities in support of it, see *Shaver v. Heller & Merz Co.* (C. C. A. 1901), 108 Fed. Rep. 821. See also *Dennison Mfg. Co. v. Mfg. Co.* (C. C. 1899), 94 Fed. Rep. 651.

<sup>2</sup> *Mt. Vernon Whiskey Bottle*, — *Cook & Bernheimer Co. v. Ross* (C. C. 1896), 73 Fed. Rep. 203. *Hires Root Beer Bottle*, — *Hires Co. v. Consumers' Co.* (C. C. A. 1900), 100 Fed. Rep. 809.

<sup>3</sup> *Moorman v. Hoge* (C. C. A. 1871), Fed. Cas. No. 9783; *Harrington v. Libby* (C. C. 1877), Fed. Cas. No. 6107; *Adams v. Heisel* (C. C. 1887), 31 Fed. Rep. 279; *Enoch Morgan's Sons Co. v. Troxell* (1882), 89 N. Y. 292.

<sup>4</sup> *Von Mumm v. Frash* (C. C. 1893), 56 Fed. Rep. 830; *Franck v. Frank Chickory Co.* (C. C. 1899), 95 Fed. Rep. 818; *Rains v. White* (Ky. 1899), 52 S. W. Rep. 970.

<sup>5</sup> *Fleischman v. Starkey* (C. C. 1885), 25 Fed. Rep. 127; *Faber v. Faber* (1867), 49 Barb. (N. Y.) 357; *Fischer v. Blank* (1893), 138 N. Y. 244; *Mfg. Co. v. Rouss* (C. C. 1889), 40 Fed. Rep. 585; *Mumm v. Kirk* (C. C. 1889), 40 Fed. Rep. 589.

"common law trade-marks,"<sup>1</sup> the line is still drawn between trade-marks proper and other distinguishing earmarks. The line of demarcation between what a trade-mark proper may and may not comprise is thus defined by Chief Justice Fuller in the "Elgin" case:<sup>2</sup>

"It may consist in any symbol or in any form of words, but as its office is to point out distinctively the origin or ownership of the articles to which it is affixed, it follows that no sign or form of words can be appropriated as a valid trade-mark, which from the nature of the fact conveyed by its primary meaning, others may employ with equal truth, and with equal right, for the same purpose."

Yet it frequently happens that just such a sign or word as is here barred from the domain of technical trade-marks is adopted as a distinguishing mark by a trader, or perhaps fastened upon his goods by the public against his own intentions,<sup>3</sup> and in course of time becomes so associated with his goods as to acquire a secondary signification, and in connection with goods made or sold by him, to mean simply that goods so marked are his wares. This may be true of personal names, common to both the plaintiff and defendant; it may be true of geographical names of districts wherein both plaintiff and defendant raise or manufacture their products; it may be true of descriptive words which in their primary sense describe both plaintiff's and defendant's goods with equal accuracy.<sup>4</sup>

<sup>1</sup> It should be noticed, perhaps, that in England, by reason of the statutes providing for registration of marks, the term "trade-mark" has become practically synonymous with "registered trade-mark."

<sup>2</sup> 179 U. S. 665 at 673.

<sup>3</sup> See the singular history of the adoption by the public of the name "Angostura Bitters" in *Sigert v. Findlater* (1878), L. R. 7 Ch. Div. 801, commented on by Putnam, J., in *Levy v. Waitt* (C. C. A. 1894), 61 Fed. Rep. 1008. See also the case of "Dolly Blue," *Edge v. Gallon* (C. A. 1899), 16 Rep. Pat. Cas. 509, *per* Lindley, M. R., at p. 514; and the notable "Bhe Hathi" case, *Orr v. Johnson* (1880), 13 Ch. Div. 434, and (1882) 7 App. Cas. 219, 221.

<sup>4</sup> For examples of a "secondary significance" which has been proven for a personal name, see *Clark Thread Co. v. Armitage* (C. C. A. 1896), 74 Fed. Rep. 936; *Baker v. Sanders* (C. C. A. 1897), 80 Fed. Rep. 889; *Massam v. Cattle Food Co.* (C. A. 1880), 14 Ch. Div. 748; *Valentine Co. v. Valentine Co.* (C. A. 1900), 17 R. P. C. 673; *J. & J. Cash, Ltd. v. Cash* (1901), 18 R. P. C. 213, (C. A. 1902), 19 R. P. C. 181. For a geographical name, *American Waltham Watch Co. v. United States Watch Co.* (1899), 173 Mass. 85; *Watch Co. v. Sandman* (C. C. 1899), 96 Fed. Rep. 330; *Heller & Merz Co. v. Shaver* (C. C. 1900), 102 Fed. Rep. 882, affirmed (C. C. A. 1901) 108 Fed. Rep. 821; *Wotherspoon v. Currie* (1872), L. R. 5 H. L. 508; *Montgomery v. Thompson*, [1891] A. C. 217; *Rockingham Ry. Co. v. Allen*, 12 Times L. R. 345;

When such words have once acquired this secondary meaning in connection with some one trader's goods, another trader cannot truthfully describe his goods by the same term, despite the fact that originally, and before the growth of the secondary meaning, he could have done so.<sup>1</sup> Yet it is clear that if a plaintiff's wares have come to be known as "Clark's Spool Cotton," for example, he cannot on that account absolutely enjoin another manufacturer or trader in spool cotton by the name of Clark from indicating in some way that he is the manufacturer or vendor of the cotton that he makes or sells. This other Clark will not be allowed to call his spool cotton "Clark's Spool Cotton," but in some way he will be allowed to indicate that he is the maker or the seller, as the case may be, of his goods. So where two persons make camel hair belting, but that phrase has come to have a secondary meaning denoting the belting of the first in the field, the second manufacturer will not be absolutely restrained from informing the world in some way that his belting is made of camel hair, so long as he does not do it in a way to confuse his belting with the plaintiff's. So in the case of a geographical name.

Relief in equity in the case of technical trade-marks is given by an absolute injunction against the further use of the infringing marks;<sup>2</sup> in the case of non-exclusive marks, which have come to be identified with the plaintiff's wares, by an injunction against the use of the marks (or words) in question without "clearly and unmistakably" distinguishing the defendant's wares from plaintiff's.<sup>3</sup>

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*Bewlay v. Hughes* (1898), 15 R. P. C. 290; *Worcester Royal Porcelain Co. v. Locke* (1902), 19 R. P. C. 479. For a descriptive name, *Singer Mfg. Co. v. June Mfg. Co.* (1896), 163 U. S. 169; *Fuller v. Huff* (C. C. A. 1900), 104 Fed. Rep. 141; *Wells, etc., Co. v. Siegel* (C. C. 1900), 106 Fed. Rep. 77; *Hansen v. Siegel-Cooper Co.* (C. C. 1900), 106 Fed. Rep. 691; *Reddaway v. Banham*, [1896] A. C. 199; *Draper v. Skerrett* (C. C. 1902), 116 Fed. Rep. 206.

<sup>1</sup> For language to this effect see, *per* Shipman, J., *Clark Thread Co. v. Armitage*, *supra*, at p. 943. See also the remarks of Lord Herschell and of Lord Macnaghten in the "Camel Hair Belting" case, [1896] A. C. 199, 212, 218, 219; Shiras, J., in *Heller & Merz Co. v. Shaver* (C. C. 1900), 102 Fed. Rep. 882, 889; Sanborn, J., in same case on appeal (C. C. A. 1901), 108 Fed. Rep. 821, 825; Hargis, C. J., in *Avery v. Meikle* (1883), 81 Ky. 73; 27 O. G. 1027, 1032.

<sup>2</sup> For a typical case, containing a thorough discussion as to the measure of the relief in technical trade-mark cases, see *Bass v. Feigenspan* (C. C. 1899), 96 Fed. Rep. 206.

<sup>3</sup> See the injunctions in the "Camel Hair Belting" case, [1896] A. C. 199, and the "Singer" case, 163 U. S. 169. In these cases of non exclusive marks, it is said that whether defendant can continue to use the word in controversy, and yet surround it

It is clear then that the courts have marked out a boundary line between technical trade-marks or marks capable of exclusive

with sufficient safeguards to keep himself outside the scope of the injunction, is "a matter for his own consideration." *Per* Lord Watson in *Montgomery v. Thompson*, [1891] A. C. 217 at 222. The court will not undertake upon defendant's application to prescribe what differentiation is sufficient. *Hires Co. v. Consumers' Co.* (C. C. A. 1900), 100 Fed. Rep. 809 at 813; *Williams v. Mitchell* (C. C. A. 1901), 106 Fed. Rep. 163 at 172; *Sterling Remedy Co. v. Medical Co.* (C. C. A. 1901), 112 Fed. Rep. 1000 at 1002. The distinction necessary to avoid confusion depends on the circumstances of each case. "It may very well be that what is sufficient in the case of a wine producer may not be enough in the case of a brewer, and that which is perfectly adequate in the case of a brewer may prove to be quite inadequate in the case of a maker of pickles and sauces. The one point to be considered in each case appears to me to be whether the natural and probable result of the defendant's acts will be to mislead purchasers, and so deprive the plaintiff of business intended for him." *Per* Kay, L. J., in *Powell v. Birmingham Vinegar Brewery Co.*, [1896] 2 Ch. 54, 64. If defendant's name is the same as plaintiff's, defendant must take greater pains to distinguish his goods from plaintiff's than would be required of a defendant of a different name. Paul, J., in *Baker v. Baker* (C. C. 1896), 77 Fed. Rep. 181, 186; *Stirling, J.*, in *Brooks & Co. Ltd. v. Cycle Co.* (1899), 16 R. P. C. 523, 525. So, if certain leading features of plaintiff's and defendant's "get up" are common to the trade, defendant must take extra care to see that his distinguishing features really distinguish his goods. Lord Chancellor Hatherly in *Wotherspoon v. Currie* (1872), L. R. 5 H. L. 508, 514; *Romer, L. J.*, in *Payton v. Snelling* (C. A. 1899), 17 R. P. C. 48, 56. See also *Romer, J.*, in *Hodgson v. Kynoch, Ltd.* (1898), 15 R. P. C. 465, 473.

Such a distinction will necessitate giving up every unnecessary use of the term in controversy. *Baker v. Sanders* (C. C. A. 1897), 80 Fed. Rep. 889, 895; *American Waltham Watch Co. v. U. S. Watch Co.* (1899), 173 Mass. 85, 86; 43 L. R. A. 826, 830; *Fuller v. Huff* (C. C. A. 1900), 104 Fed. Rep. 141 at 144, 145; *Shaver v. Heller & Merz Co.* (C. C. A. 1901), 108 Fed. Rep. 821, 825, 826. See also *Montgomery v. Thompson*, *supra*, where it was held that an injunction in general terms would have restrained defendants' use of the phrase "Stone Ales." Similar language was used by *Byrne, J.*, in *Worcester Royal Porcelain Co. Ltd. v. Locke* (1902), 19 R. P. C. 479, 490. In some instances, however, the use of the word in substantially the same way may be absolutely necessary to both the plaintiff and the defendant. The result will be that despite every possible safeguard with which the word can be surrounded, the fact of its use at all by defendant will tend to confuse defendant's product with plaintiff's. This was the case, for instance, with "Matzoon," an Armenian word which is the accurate and only name for a certain fermented milk beverage. So closely had it become identified with plaintiff's product that nothing short of a personal explanation to customers would serve to distinguish defendant's beverage from plaintiff's, despite a striking dissimilarity in labels and the prominence given defendant's name as manufacturer. *Dalirrian v. Yacubian* (C. C. A. 1899), 98 Fed. Rep. 872, 880. In such a case as this, therefore, the confusion that remains after defendant has done everything in his power to distinguish his goods from the plaintiff's, short of dropping altogether the word or name which is necessary to describe his product or to denote that he is the manufacturer, is *damnum absque injuria*. *Russia Cement Co. v. Le Page* (1888), 147 Mass. 206; *Singer Mfg. Co. v. June Mfg. Co.* (1896), 163 U. S. 169, 187; *Hygeia, etc., Co. v. Hygeia Ice Co.* (Conn. 1900), 45 Atl. Rep. 957, 960. The difficulty of determining in specific cases to what extent defendant's use of the word may be restricted is pointed out by *Holmes, J.*, in *American Waltham Watch Co. v. U. S. Watch Co.*, *supra*, at page 86,

appropriation and other marks, chiefly words, which though incapable of being exclusively appropriated, may, by reason of long association with a particular trader's goods, be entitled to protection to the extent that another may not use them without "clearly and unmistakably" distinguishing his goods from those of the original user of the marks or words in question.

This brings us to the important inquiry: In what way, if any, does defendant's fraudulent intent to divert the plaintiff's trade affect the plaintiff's right to relief in respect of these two classes of marks? Is it essential to prove fraud in the one case but not in the other?

The English doctrine appears to-day to be clearly settled that it is unnecessary to prove fraud in either case. As early as 1838, Lord Chancellor Cottenham had before him a case of an innocent infringement of a plaintiff's trade-mark, and his decision was thus tersely delivered:<sup>1</sup>

"I see no reason to believe that there has in this case been a fraudulent use of the plaintiffs' mark — in short, it does not appear to me that there was any fraudulent intention in the use of the marks. That circumstance, however, does not deprive the plaintiffs of their right to the exclusive use of those names."

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and by *Hammersley, J.*, in *Hygeia Distilled Water Co. v. Hygeia Ice Co.*, *supra*, at page 959.

In some cases the court will require an express statement to be placed on the goods negating the idea that they emanate from the plaintiff. For example, defendants in *Brinsmead v. Brinsmead* (C. A. 1896), 13 Times L. R. 3, were restrained from using the word "Brinsmead" on pianos unless accompanied with an express statement that they were distinct from and had no connection with the old firm of John Brinsmead Sons. The order was approved by the Court of Appeals, and declared by A. L. Smith, L. J. (subsequently Master of the Rolls), to be, in his experience, a "common form." So in *Baker v. Sanders* (C. C. A. 1897), 80 Fed. Rep. 889, defendant was given his option of changing his labels or inscribing them prominently "W. H. Baker is distinct from and has no connection with the old chocolate manufactory of Walter Baker & Company." So in *Cream Co. v. Keller* (C. C. 1898), 85 Fed. Rep. 643, defendant was not allowed to use his name "Allegretti" unless accompanied by the statement "No connection with the original Allegretti of Chicago." So in *Penberthey Injector Co. v. Lee* (Mich. 1899), 78 N. W. Rep. 1074, defendant was enjoined from inscribing his injectors "W. Penberthey's Patent" unless accompanied by the statement that "W. Penberthey is distinct from and has no connection with the original Penberthey Injector Co." See also *Army, etc., Society, Ltd. v. Army, etc., Society of South Africa, Ltd.* (1902), 19 R. P. C. 574, 578. In the case of *American Waltham Watch Co. v. U. S. Watch Co.*, 43 L. R. A. 830, after enjoining the use of the word "Waltham" in the phrase "Waltham Watches," and further enjoining its use on the dial of defendant's watches, the court ordered the defendant to engrave on all its watch-plates, in collocation with the words "Waltham, Mass.," the inscription "A new Watch Company at Waltham, established 1885."

<sup>1</sup> *Millington v. Fox*, 3 Myl. & Cr. 338 at 352.



An injunction issued accordingly. This decision has ever since been regarded as law<sup>1</sup> and was quoted at length with approval by Lord Chancellor Halsbury in the case of *Cellular Clothing Company v. Maxton*.<sup>2</sup> In this latter case Lord Halsbury took pains to state emphatically his own understanding of the law as to the necessity of proving the defendant's fraudulent intent in cases involving descriptive words which have acquired a secondary meaning denoting the plaintiff's goods. He forcibly remarks, for example (p. 334):

"The only observation I wish to make upon that part of the argument is that it seemed to be assumed that a fraudulent intention is necessary on the part of the person who was using a name in selling his goods in such a way as to lead people to believe that they were the goods of another person. . . . It is not necessary to establish fraudulent intention in order to claim the intervention of the court." <sup>3</sup>

Later, in his opinion, he protests against the construction which had been placed upon his judgment in the "*Camel Hair Belting*" case to the effect that he had considered defendant's fraud essential to relief, and finally sums up the law as follows (p. 336):

"The simple proposition is this: that one man is not entitled to sell his goods under such circumstances, by the name or the packet, or the mode of making up the article, or in such a way as to induce the public to believe that they are the manufacture of some one else. The proposition that has to be made out is that something amounting to this has been done by the defendant, and if that proposition is made out the right to relief exists." <sup>4</sup>

The opposite view has been taken by the United States Supreme Court. Fraudulent intent, it holds, is necessary to relief in the case of both classes of marks, exclusive and non-exclusive alike.

<sup>1</sup> See Lord Chancellor Cairns' opinion in *Singer Machine Manufacturers v. Wilson* (1877), 3 App. Cas. 376, 391.

<sup>2</sup> [1899] A. C. 326 at 334, 335.

<sup>3</sup> Mr. Hopkins, in his recent book on "Unfair Trade," pp. 88, 89, seems wholly to have misunderstood the force and effect of Lord Halsbury's judgments in the "*Cellular Cloth*" and "*Camel Hair Belting*" cases. It would have been difficult for Lord Halsbury to have stated more emphatically that fraud was not necessary to relief.

<sup>4</sup> Lord Halsbury's statements have been quoted as settling the law in this respect by Kekewich, J., in *Saxlehner v. Apollinaris Co.*, [1897] 1 Ch. 893, 899, 901, and by Stirling, J. (now Lord Justice Stirling), in *Valentine Co. v. Valentine Co.* (1899), 17 R. P. C. 1. See also the language of Lord Macnaghten in *Payton v. Snelling*, [1901] A. C. 308, 310, and of Lord Davey in *Edge v. Gallon* (H. L. 1900), 17 R. P. C. 557, 566

Its view is well summed up in the following passage from Chief Justice Fuller's opinion in the "Elgin" case (p. 674):

"If the plaintiff has the absolute right to the use of a particular word or words as a trade-mark, then, if an infringement is shown, the wrongful or fraudulent intent is presumed, and although allowed to be rebutted in exemption of damages, the further violation of the right of property<sup>1</sup> will nevertheless be restrained. But where an alleged trade-mark is not in itself a good trade-mark, yet the use of the word has come to denote the particular manufacturer or vendor, relief against unfair competition or perfidious dealing will be awarded by requiring the use of the word by another to be confined to its primary sense by such limitations as will prevent misapprehension on the question of origin. In the latter class of cases such circumstances must be made out as will show wrongful intent in fact or justify that inference from the inevitable consequences of the act complained of."

It is important to notice, however, that this entire quotation is really a *dictum*. The point decided, and alone calling for decision, was merely that inasmuch as the word "Elgin" was the name of the town in which both plaintiff and defendant carried on manufacture, and could not, therefore, be lawfully registered as a technical trade-mark, the federal courts (in absence of diversity of citizenship of the parties) had no jurisdiction of the alleged unfair competition resulting from defendant's use of the word. The decision of this point clearly called for no expression of

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<sup>1</sup> It is outside the scope of this article to discuss the propriety of regarding a technical trade-mark as "property." Such a mark is generally spoken of in this country as property. *Boston Diatite Co. v. Mfg. Co.* (1873), 114 Mass. 69; *Lawrence Mfg. Co. v. Tennessee Mfg. Co.* (1891), 138 U. S. 537 at 549; *Stonebraker v. Stonebraker* (1870), 33 Md. 252, 268. This view finds support in the opinions of Lord Westbury in *Edelsten v. Edelsten* (1863), 1 De G. J. & S. 185 at 199; *Wotherspoon v. Currie* (1872), 5 H. L. 508 at 522; *Leather Cloth Co. v. American Leather Cloth Co.* (1863), 4 De G. J. & S. 137 at 142; *Hall v. Barrows* (1863), 4 De G. J. & S. 150 at 159. See also *Bacon, V. C.*, in *Ransome v. Graham*, 51 L. J. Ch. 897, 900. The accuracy of this conception has been questioned by Holmes, J., in *Chadwick v. Covell* (1890), 151 Mass. 190; by Lord Blackburn in *Singer Machine Manufacturers v. Wilson* (1877), 3 App. Cas. 376, 400; and by Lord Herschell in *Reddaway v. Banham*, *supra*, at p. 209. See also James, L. J., in *Singer Mfg. Co. v. Loog* (C. A. 1880), 18 Ch. Div. 395 at 412 (cited by Lord Macnaghten in *Reddaway v. Banham* at 216), Kekewich, J., in *Saxlehner v. Apollinaris Co.*, [1897] 1 Ch. 893 at 903, and Vaughan Williams, J., in *Jamieson v. Jamieson* (1898), 15 R. P. C. 169, 191. Lord Langdale, M. R., said long ago in *Perry v. Truefitt* (1842), 6 Beav. 66 at 73: "I own it does not seem to me that a man can acquire a property merely in a name or mark." The question, however, is largely, if not purely, academic. The practical results flowing from one or the other conception of a trade-mark are substantially the same. See Lord Herschell in *Reddaway v. Banham*, at p. 210; and Baker, J., in *Church & Dwight Co. v. Russ* (C. C. 1900), 99 Fed. Rep. 276, 279. See also 12 HARV. L. REV. 244.

opinion as to the degree of protection to be accorded a word "not in itself a good trade-mark" which had, however, acquired a secondary meaning with reference to plaintiff's wares; and of course called for no expression of opinion regarding the necessity of proving fraudulent intent in such a case, or even regarding the presumption of fraudulent intent in cases of technical trade-mark.

The danger of regarding *dicta* as precedents for later decisions has often been pointed out.<sup>1</sup> Yet the weight that attaches to the decisions of the Supreme Court almost unavoidably attaches even to the *dicta* delivered in the course of its opinions; and it is feared that in the present confusion of our state and federal courts as to the proper grounds of relief in cases of unfair competition, the foregoing statement may be accepted as authoritative. The danger is the greater because the above quoted *dictum* is by no means a unique expression of the Supreme Court on this point. In at least two prior cases, the Supreme Court, though not called upon to decide whether or not a fraudulent intention on defendant's part is essential to relief against his use of words or devices, not in themselves good trade-marks, has clearly indicated its opinion that such fraudulent intention must be made out.

In *Lawrence Manufacturing Company v. Tennessee Manufacturing Company*,<sup>2</sup> it was found that the letters "LL" used on cotton sheeting by plaintiffs — and, as appeared from the evidence, by a number of other manufacturers — "only indicated grade class or quality, and not origin, ownership, and manufacture," and therefore there was no technical trade-mark therein. In fact the court states explicitly (p. 551): "The brands are entirely dissimilar in appearance, and the letters have for years been understood generally as signifying grade or quality, and been so used by different manufacturers." Having found that the brands of the parties were entirely dissimilar and that the particular letters in controversy were merely indications of quality and in no wise associated with goods of plaintiff's manufacture, it was clearly unnecessary for the court to discuss defendant's fraudulent intent. Yet the court considers (p. 549) plaintiff's contention that it is entitled "at least to an injunction upon the principles applicable to cases analogous to trade-marks, that is to say, on the ground of fraud on the public and on the plaintiff, perpetrated by the

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<sup>1</sup> *Cohens v. Virginia*, 6 Wheat. 264; *Carroll v. Carroll*, 16 How. 275.

<sup>2</sup> (1891) 138 U. S. 537 at pp. 542-545.

defendant by intentionally and fraudulently selling its goods as those of the plaintiff," and says with reference thereto that "undoubtedly an unfair and fraudulent competition against the business of the plaintiff—conducted with the intent, on the part of the defendant, to avail itself of the reputation of the plaintiff to palm off its goods as plaintiff's—would, in a proper case, constitute ground for relief;" but that (p. 551) "*the deceitful representation or perfidious dealing* must be made out or be clearly inferable from the circumstances." The court finds that in the case at bar "there is no proof justifying the inference of fraudulent intent, or of deception practised on the plaintiff or on the public." This discussion is quite superfluous to the decision of the real point at issue, yet the case is repeatedly cited as authority for the doctrine that fraud is an indispensable element of unfair competition.

Again in *Coats v. Merrick Thread Company*,<sup>1</sup> where the defendants were alleged to have imitated the "labels, marks, and devices upon the spools" on which plaintiff's thread was wound and sold, the issue is defined as follows (pp. 565-566):

"The controversy between the two parties, then, is reduced to the single question whether, comparing the two designs upon the main or upper end of the spool, there is such resemblance *as to indicate an intent* on the part of defendants to put off their thread upon the public as that of the plaintiff's and thus to trade upon their reputation."<sup>2</sup>

Throughout the case it is apparent that the fact of fraudulent intent is the crucial fact in the minds of the court. Yet the decision turns quite as much upon the fact that defendants had succeeded in clearly distinguishing their spool cotton, as upon the

<sup>1</sup> (1893) 149 U. S. 562.

<sup>2</sup> The issue, it is submitted, is incorrectly stated in any view. Even if a fraudulent intent be considered essential to relief in the class of cases under consideration, it is nevertheless primarily necessary that the resemblance should be sufficient to show a likelihood of deceiving the ordinary purchaser. To narrow the issue in such a case to a mere fraudulent intent might result in enjoining a defendant who intended to defraud but whose marks were unsuited to deceive, and incapable therefore of injuring the plaintiff. This absurd result was actually reached in *Lever v. Bedingfield* (1898), 15 R. P. C. 453, but *Kekewich, J.*, was emphatically reversed in the Court of Appeals, 16 R. P. C. 3, 11, on the ground that fraudulent intent unaccompanied by actual deception or probability of deception would not support an injunction. For authorities to the same effect in this country, see *Kann v. Steel Co.* (C. C. A. 1898), 89 Fed. Rep. 706 at 713; *Centaur Co. v. Marshall* (C. C. A. 1899), 97 Fed. Rep. 785 at 788, 791; *Potter Drug & Chemical Corporation v. Soap Co.* (C. C. A. 1901), 105 Fed. Rep. 914, 915.

mere absence of a fraudulent intent.<sup>1</sup> The finding of the court that defendants had, aside from the features common to the trade,<sup>2</sup> clearly differentiated their goods, disposed of the case, and the discussion of defendant's fraudulent intention was superfluous.

The Supreme Court has never yet had a case before it which required a decision to the effect that defendant's marks or dress or devices which deceive the public to the plaintiff's injury, although not infringing any technical trade-mark of plaintiff's, can only be enjoined upon the further proof that defendant acted fraudulently in using them. But that this view is likely to be adopted, is clear from the frequent *dicta* of the court above pointed out. Moreover the same view is found expressed in many state and federal decisions.<sup>3</sup>

It must be admitted that the preponderance of authority to-day in this country is to the effect that in the absence of a technical trade-mark a plaintiff in a suit to restrain unfair competition must prove the defendant guilty of an actual fraudulent intent in order to obtain relief.

Yet it was long ago said by Mr. Justice McLean while sitting as Circuit Justice in the case of *Coffeen v. Brunton*,<sup>4</sup> that a label

<sup>1</sup> "The Supreme Court, in the case referred to (*Coats v. Thread Co.*), dismissed the bill upon the ground that intent on the part of the defendants to impose upon the public had been disproved by the defendants, and the dress of the goods adopted by the defendants bore so little resemblance to the dress adopted by the plaintiff that mistake could hardly be possible." Benedict, J., in *Von Mumm v. Frash* (C. C. 1893), 56 Fed. Rep. 830 at 838. See also similar comment in *Chemical Co. v. Meyer* (1891), 139 U. S. 540; by Sanborn, J., in *Shaver v. Heller & Merz Co.* (C. C. A. 1901), 108 Fed. Rep. 821, 827.

<sup>2</sup> There is of course no ground for relief in the confusion that results from *merely* such features in labels or dress as are commonly used by the trade. *Jamieson v. Jamieson* (C. A. 1898), 15 R. P. C. 169, 182, 184, 185; *Lever Bros. v. Bedingfield* (C. A. 1898), 16 R. P. C. 3, 10; *Payton v. Snelling* (C. A. 1899), 17 R. P. C. 48, 52; *Payton v. Ward* (C. A. 1899), 17 R. P. C. 58, 63, 67; *Alaska Packers Assoc'n v. Crooks* (1901), 18 R. P. C. 129; *Postum Cereal Co. v. Food Co.* (C. C. A.), 109 Fed. Rep. 898; *Hennessey v. Dompé* (1902), 19 R. P. C. 338, 340.

<sup>3</sup> For recent utterances to this effect see *Gorham Mfg. Co. v. Dry Goods Co.* (C. C. A. 1900), 104 Fed. Rep. 243; *National Elgin Watch Co. v. Illinois Watch Case Co.* (C. C. A. 1899), 94 Fed. Rep. 667, 670; *Elgin Butter Co. v. Elgin Creamery Co.* (1895), 155 Ill. 127; *Townsend, J., in Watch Co. v. Sandman* (C. C. 1899), 96 Fed. Rep. 330; *Baker, J., in Church & Dwight Co. v. Russ* (C. C. 1900), 99 Fed. Rep. 276, 279; *Wilkin, J., in Allegetti v. Allegetti Co.* (Ill. 1898), 52 N. E. Rep. 487. See too *Hargis, C. J., in Avery v. Meikle* (Ky. 1883), 27 O. G. 1027. It is said in *Daviess County Distilling Co. v. Martinoni* (C. C. 1902), 117 Fed. Rep. 186 at 188, that "the United States courts have repeatedly held the intent to deceive the public an indispensable element in the fraud charged in unfair competition."

<sup>4</sup> (C. C. 1849) Fed. Cas. 2, 946.

similar to plaintiff's label would be enjoined, whether the similarity were fraudulent or innocent. In the course of his opinion he traced the development of the English trade-mark law from the old case of *Blanchard v. Hill*,<sup>1</sup> decided by Lord Hardwicke in 1742, to the case of *Millington v. Fox*,<sup>2</sup> decided by Lord Cottenham in 1838. In the former case Lord Hardwicke refused to enjoin the use of the plaintiff's trade-mark by another because it was not shown to have been fraudulently used; in the latter case a fraudulent intent was held immaterial. Justice McLean continues:

"From the above it would seem that an intentional fraud is not necessary to entitle the plaintiff to protection; but that where the same mark or label is used which recommends the article to the public by the established reputation of another who sells a similar article and the spurious article cannot be distinguished from the genuine one, an injunction will be granted, although there was no intentional fraud. And I am inclined to believe that this is a correct view of the principle; for the injury will be neither greater nor less by the knowledge of the party."<sup>3</sup>

The same reasoning applies with equal weight to the case of the use of the words, or marks to which the plaintiff has no exclusive right, but which through long use and association have come to be intimately identified with his goods. The actual deception upon the public and the injury to the plaintiff's trade are no more and no less when the defendant's use of similar words and marks is innocent than when it is intentionally fraudulent. Even in this view, it would still be true that a plaintiff's right to enjoin the infringement of technical trade-marks and his right to enjoin defendant's use of marks and words "not in themselves good trade-marks," which, however, have become identified with plaintiff's goods, would be both "based on fraud," — if by "fraud" is to be understood a deception in fact, regardless of defendant's

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<sup>1</sup> 2 Atk. 484.

<sup>2</sup> 3 Myl. & Cr. 338.

<sup>3</sup> "A man may take the trade-mark of another ignorantly, not knowing it was the trade-mark of the other; or he may take it in the belief, mistaken but sincerely entertained, that in the manner in which he is taking it he is within the law and doing nothing which the law forbids; or he may take it knowing it is the trade-mark of his neighbor and intending and desiring to injure his neighbor by so doing. *But in all these cases . . . the injury to the plaintiff is just the same.* The action of the court must depend upon the right of the plaintiff and the injury done to that right." *Per* Lord Chancellor Cairns in *Singer Machine Manufacturers v. Wilson* (1877), 3 App. Cas. 376 at 391. See also *Pardee, J., in Williams v. Brooks* (1882), 50 Conn. 278 at 282; *Hargis, C. J., in Avery v. Meikle* (Ky. 1883), 27 O. G. 1027, 1032.

intent, perpetrated upon the public to the injury of the plaintiff.<sup>1</sup> Such deception as we have seen above is to-day recognized by the English courts as an infringement of the plaintiff's rights and is enjoined accordingly, whether defendant's motive be innocent or fraudulent.

The Supreme Court, however, has not only distinctly and deliberately expressed its opinion in the "Elgin" case, that in the class of cases dealing with a word "not in itself a good trade-mark," "such circumstances must be made out as will show wrongful intent in fact or justify that inference from the inevitable consequences of the act complained of," but has also taken the position that in cases of the infringement of a strict trade-mark "the wrongful or fraudulent intent is to be presumed." These statements represent the extreme to which the court has gone in insisting on fraud as an essential element of unfair competition. If it were not for this latest expression of the Supreme Court, there would be good ground to hope that our federal and state courts might gradually swing into line with the English decisions. In the "Singer" case,<sup>2</sup> where the word "Singer," although descriptive in its primary sense of a class or type of sewing machines, did in a secondary sense mean sewing machines of the plaintiff's manufacture, the court defined the rights of the plaintiff and defendant in the use of the word, as follows:<sup>3</sup> The defendant may use the name for its machines with the fullest and freest liberty, "subject, however, to the condition that the name must not be so used as to deprive others of their rights or to deceive the public, and, therefore, that the name must be accompanied with such indications that the thing manufactured is the work of the one making it as will unmistakably inform the public of that fact." Although as a matter of fact the defendant in the "Singer" case was found to be acting fraudulently, this summing up of the law appears to exclude a fraudulent intent as a necessary element of unfair competition. According to the test here laid down, it would be necessary merely to show that the defendant's acts, whether his motive be fraudulent or innocent, "deceive the pub-

<sup>1</sup> See Sebastian on Trade Marks (4th ed. 1899), p. 169. There is obviously an opportunity for confusion between this use of the phrase, "based on fraud," and the conception that the right to relief is based upon the *conscious* fraud of the defendant, that is, upon a deception knowingly and intentionally practised upon the public by the defendant to the plaintiff's hurt.

<sup>2</sup> Singer Mfg. Co. v. June Mfg. Co. (1896), 163 U. S. 169.

<sup>3</sup> Ibid. pp. 199, 200.

lic" (*i. e.*, into accepting defendant's goods as and for plaintiff's), and so "deprive others of their rights": that is, the infringement of complainant's rights by the deception of the public, regardless of the defendant's intent or motive, affords the ground for relief.

In the same year as the Singer decision, the Circuit Court of Appeals for the Second Circuit was called upon to determine the protection to be given the original user of the name "Hoff" in connection with malt against the use of the same name on bottled malt by a defendant also named Hoff.<sup>1</sup> At that time the *dictum* in Lawrence Mfg. Company v. Tennessee Mfg. Company, that in such cases the "deceitful representations" and "perfidious dealing" must be clearly made out, had not been approved and elaborated in the "Elgin" case, and the Court of Appeals in the "Hoff's Malt" case thus comments upon it:<sup>2</sup>

"Courts in such cases do not require proof of any peculiarly iniquitous 'perfidious dealing.' If the representation as to what or whose the goods are is calculated to deceive the purchaser into buying them as goods of the complainant, equity will enjoin the continuance, although the 'deceitful representation' was placed upon them carelessly or from lack of appreciation of the meaning it would convey to the purchaser, or from an honest mistake as to defendant's right to use it."<sup>3</sup>

There is, of course, still a possibility that when the question is squarely presented for decision before the Supreme Court, it may so far modify its *dicta* as wholly to exclude fraud as an element essential to relief, using the "Singer" and the "Hoff" cases as well as the English cases as authorities for such a result. With more probability, however, it may be hoped that the court, instead of insisting on a literal acceptance of its curiously strong phrase "perfidious dealing," will sacrifice the substance of the fraud required, retaining the shadow. The way is open to it.

It was said by Lord Morris, speaking for the Privy Council in *Cochrane v. MacNish*:<sup>4</sup>

"The respondents erred unwittingly at first. But as they persisted in their error after their attention was called to the fact that they were in-

<sup>1</sup> Tarrant & Co. v. Hoff, 76 Fed. Rep. 959.

<sup>2</sup> Ibid. p. 961.

<sup>3</sup> See also Gray v. Taper Sleeve Pulley Works (C. C. 1883), 16 Fed. Rep. 436, 442; Manitowoc Co. v. Numsen (C. C. A. 1899), 93 Fed. Rep. 196. The force of the expressions used by the Circuit Court of Appeals for the Seventh Circuit in the last-named case is very much weakened by its decisions in the later cases of Illinois Watch Case Co. v. Elgin National Watch Co. (C. C. A. 1899), 94 Fed. Rep. 667 and Albany Paper Co. v. Hoberg (C. C. A. 1901), 109 Fed. Rep. 589.

<sup>4</sup> [1896] A. C. 224 at 230.



fringing the appellant's rights, their conduct in the eye of the law amounts to fraud and they must be held responsible for the consequences."

In the famous trade-mark case of *Singer Machine Manufacturers v. Wilson*,<sup>1</sup> Lord Chancellor Cairns asserted that:

"What the motive of the defendant may be the court has very imperfect means of knowing. If he was ignorant of the plaintiff's rights in the first instance, he is, as soon as he becomes acquainted with them and perseveres in infringing upon them, as culpable as if he had originally known them."<sup>2</sup>

In this country, too, it has been similarly held that an innocent intention in adopting plaintiff's distinguishing marks is no defense, once defendant is shown to have persisted in their use after it has been pointed out to him that by so doing he is in fact passing off his goods as plaintiff's. For example, in *New England, etc., Company v. Marlborough, etc., Company*,<sup>3</sup> it was said by Holmes, J., in restraining the defendant's use of a label similar to the plaintiff's:

"It is found that the defendants did not intend to deceive the public by passing off their goods for the plaintiff's, but this must be taken pretty strictly. They knew that they were putting the power to do so into the retail dealers' hands. It can hardly be doubted that they contemplated that the wholesale dealer at whose request they put up their awls in this form with full knowledge of the plaintiff's prior use would or might try to deceive the public, and whether they did or not is immaterial. They knew it after they were warned by the plaintiff and stood upon their rights."

And in the recent case of *Fuller v. Huff*,<sup>4</sup> in which defendants were enjoined from using the descriptive words "Health Food" as part of the title under which they carried on the business of making nutritious food-products, upon the ground that these words had become identified with the plaintiff's business and manufacture, it was said by Shipman, J., for the Court of Appeals:

"Although the intent of the defendant's principal when it commenced to use the name 'Health Food' may have been innocent, the continuance after it had learned of the complainant's prior use, indicates its deliberate

<sup>1</sup> (1877) 3 App. Cas. 376 at 391.

<sup>2</sup> See also *Mitchell v. Henry* (C. A. 1880), 15 Ch. Div. 181, 191; *Army, etc., Society v. Army, etc., Society of India* (1891), 8 R. P. C. 426; *Orr v. Johnston* (C. A. 1880), 13 Ch. Div. 434 at 454; *Hendriks v. Montagu* (C. A. 1881), 17 Ch. Div. 638 at pp. 646, 647, 651; *Chivers v. Chivers* (1900), 17 R. P. C. 420, 426; *Edge v. Gallon* (H. L. 1900), 17 R. P. C. 557, 566.

<sup>3</sup> (1897) 168 Mass. 154.

<sup>4</sup> (C. C. A. 1900) 104 Fed. Rep. 141 at 145 (Shipman, Wallace and Lacombe, JJ.).

intention to use the name without reference to the complainant's possible prior rights."

It is obvious that persistence after notice to desist may not constitute the moral turpitude, the conscious fraud, apparently demanded by *Lawrence Manufacturing Company v. Manufacturing Company*, *Coats v. Thread Company*, or the "Elgin" case. Oftentimes, the persistence may be the result of an honest opinion on defendant's part that his acts do not tend to pass off his goods as and for the plaintiff's. Yet, in the eye of the law, such a continuance in a course of conduct which he has been cautioned is an invasion of the plaintiff's rights, amounts to fraud; and if our courts are still to insist on fraud — presumed in the case of technical trade-marks and actual in other cases — as an essential element of unfair competition, it is to be hoped that they will be satisfied with proof of this "legal fraud" in place of actual fraudulent intent and "perfidious dealing" heretofore emphasized. Such an attitude, if once adopted, will enable the courts to apply the law of unfair competition to specific cases with much greater certainty. After a notice to desist, the only issue to be determined will be that of likelihood of deception of the public by the defendant's words and marks to the plaintiff's hurt. The defendant's secret intent or motive, always difficult to discover, as remarked by Lord Cairns in *Singer Machine Manufacturers v. Wilson*, *supra*, will no longer be a controlling factor. No longer will it be true that the same act accompanied by the same deception of the public and the same resulting injury to the plaintiff will be enjoined in the one case because the defendant intended that result, only to go unrestrained in another because the defendant was ignorant or skeptical that such would be the effect of his conduct. Even in cases of technical trade-mark it is important that this definition of fraud should obtain, for though conclusively presumed, for the purpose of relief by injunction, it may be nevertheless rebutted in exemption of damages.<sup>1</sup> Surely if a defendant uses plaintiff's marks after he has been warned of the consequences, his persistence in their use should be at his own risk and peril, and should be punished accordingly by an award of damages.<sup>2</sup>

<sup>1</sup> "Elgin" case, 179 U. S. 665, 674; *Edelsten v. Edelsten* (1863), 1 DeG. J. & S. 185, 199.

<sup>2</sup> See Lord Blackburn in *Singer Mfg. Co. v. Loog* (1882), L. R. 8 App. Cas. 15 at 31.

Yet even then, our old friend "actual fraudulent intent," need not become wholly a supernumerary. In cases where direct evidence as to the likelihood of deception resulting from defendant's use of words or marks is evenly balanced, evidence of an actual fraudulent intent is important and material. The intent to deceive on the part of the defendant, once proved, is equivalent to an admission by him that the means he has adopted are likely to deceive; and where the court might be otherwise in doubt, this fact of fraudulent intent may well turn the scale against the defendant.

Thus it was said by Kekewich, J., in *Saxlehner v. Apollinaris Company*:<sup>1</sup>

"If in a case like the present, the defendants' goods on the face of them, and having regard to surrounding circumstances, are calculated to deceive, it seems to me that no evidence is required to prove the intention to deceive, nor ought time and money be expended on any such evidence. The sound rule is that a man must be taken to have intended the reasonable and natural consequences of his acts, and no more is wanted. If, on the other hand, a mere comparison of the goods, having regard to surrounding circumstances, is not sufficient, then it is allowable to prove from other sources that what is or may be apparent innocence was really intended to deceive. There can be no better evidence of intention to deceive than that of the deceiver himself, and this evidence may be given with equal force by admissions, oral or in writing, or by inference from conduct. If the intent to deceive be once established, it is but a short step, though it is a step and not an inevitable one, to the conclusion that the intention has been fulfilled and that the goods are calculated to deceive. I am by no means sure that any such distinction as I have just briefly formulated between the two classes of cases has ever been sanctioned by judicial authority, . . . but my notion is that it has nevertheless been observed in practice and that evidence of intent has only been used in the second class above noticed."

So it was said by Farwell, J., in *Chivers v. Chivers*:<sup>2</sup>

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<sup>1</sup> [1897] 1 Ch. 893, 900.

<sup>2</sup> (1900) 17 R. P. C. 420 at 427. In Lord Macnaghten's opinion in *Payton v. Snelling*, [1901] A. C. 308, it was intimated that a plaintiff would find it easier to prove probable deception by defendant's devices, if a fraudulent intent were established. Lord Macnaghten says (p. 310): "Now when a person comes forward to restrain a colorable imitation of this sort in a case like this, *and when he cannot prove that the defendants have tried to steal his trade*, he has to make out beyond all question that the goods are so got up as to be calculated to deceive. The principle is perfectly clear — no man is entitled to sell his goods as the goods of another person."

In the "*Cellular Cloth*" case, [1899] A. C. 326, 335, Lord Halsbury explained the importance of the letter in *Reddaway v. Banham*, in which a jobber ordered belting

"Of course if the court finds as a fact that the man has a fraudulent intention, that finding may well be material because the fraudulent intention is evidence against the defendant of probable deception. . . . In other words, it does not lie in the mouth of a rogue when he is found to be a rogue as a fact, to say that his roguery was so clumsy that it could not possibly succeed."

One word in conclusion. Even though it be conceded that a defendant who has innocently and inadvertently passed off his goods as plaintiff's, or at least run the risk of so doing, by reason of similitude of names or marks, should be restrained from a continuance of such acts, it does not necessarily follow in case of the use either of plaintiff's technical trade-mark, or other distinguishing marks which may have become associated with the plaintiff's goods, that an innocent defendant must pay damages for the period prior to notice of the plaintiff's rights. It is thoroughly consistent and equitable, that a defendant who cannot set up absence of a fraudulent intent as a bar to an injunction, should be nevertheless allowed to prove it in exemption from damages or an accounting.

*E. R. Coffin.*

SCHENECTADY, January 1, 1903.

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from the defendants marked merely "Camel Hair Belting," without the addition of the defendants' names as manufacturers, not as evidence of fraud but as evidence against the defendants of the confusion likely to result from the omission of their names on "Camel Hair Belting." So too, Lord Blackburn in *Johnson v. Orr Ewing* (1882), 7 App. Cas. 219 at 230: "As against these defendants their own conduct is evidence, and I think their own conduct is such as to prove against them that the resemblance was calculated to deceive:" and again (p. 231), he speaks of the defendants' conduct "as evidence of an intention to mislead, or what I think is more the true question, as evidence of what the effect of the similarity was likely to be" (*i. e.*, deception of purchasers).